

Article 9: Residential Rehabilitation Loan Program

Division 6: Limitations on Amount of Loan

*(“Limitations on Amount of Loan”
added 1-23-1975 by O-11483 N.S.)*

§99.0601 Maximum Indebtedness on Property

Outstanding loans on the property to be rehabilitated, including the amount of the loan for rehabilitation, shall not exceed eighty percent of the anticipated after-rehabilitation value of the property to be rehabilitated, as determined by the City Manager, except that the City Manager may authorize loans of up to ninety-five percent of the anticipated after-rehabilitation value of the property if:

- (a) Such loans are made for the purpose of rehabilitating the property for residential purposes;
- (b) There is demonstrated need for such higher limit; and
- (c) There is a high probability that the value of the property will not be impaired during the term of the loan.

(“Maximum Indebtedness on Property” added 1-23-1975 by O-11483 N.S.)

§99.0602 Maximum Amount of Loan

The maximum loans for rehabilitation shall be as follows: single family, \$17,500; two-three units, \$10,000 per unit; four or more units, \$7,500 per unit; commercial, \$5,000 per unit; or such other amounts as may be authorized by the State Legislature and approved by City Council resolution.

(“Maximum Amount of Loan” added 1-23-1975 by O-11483 N.S.)

§99.0603 Limitations on Use of Loan for General Property Improvements

No more than twenty percent of any loan for residential rehabilitation shall be used for general property improvements, except that in the case of owner-occupied, one-to-four dwelling unit properties, up to forty percent of the loan may be used for general property improvements.

(“Limitations on Use of Loan for General Property Improvements” added 1-23-1975 by O-11483 N.S.)

§99.0604 Refinancing

A loan may be made to refinance an existing indebtedness on a residence if:

- (a) The cost of meeting rehabilitation standards and correcting incipient violations thereof for the residence equals at least twenty-five percent of the principal amount of the loan; and
- (b) The sum of the monthly principal and interest payments on the proposed loan for rehabilitation and the monthly payments on existing debt secured by the property would result in total monthly payments that would exceed twenty percent of the applicant's total monthly income.

(“Refinancing” added 1-23-1975 by O-11483 N.S.)

§99.0605 Limitations Based on Fair Market Value of Work

A loan cannot be granted in an amount more than fifteen percent above fair market value, as previously determined by the City's authorized representative, for the work specified, or higher than the lowest complete and responsive bid received, whichever is less. Prior to final payment due under the contract the authorized City representative will make an on-premises inspection and sign a Certification of Final Inspection certifying that the work as outlined in the job specifications has been completed.

(“Limitations Based on Fair Market Value of Work” added 1-23-1975 by O-11483 N.S.)